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The Ministry of Financial Institutions



1987 Annual Report

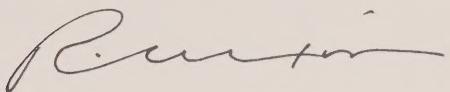


Cover: The executive of the Ministry of Financial Institutions meets weekly with the deputy minister to discuss issues and operations. Pictured here are Don Reid, director of the Loan and Trust Corporations Branch; Angie Stevens, executive assistant in the Finance and Administration Branch; Robert Hawkes, superintendent of the Pension Commission of Ontario, and Harold Sookdeo, who directs the Motor Vehicle Accident Claims Fund.

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**Honourable Lincoln Alexander
Lieutenant Governor Of Ontario**

The Ministry of Financial Institutions is pleased to submit its annual report
of operations for the fiscal year 1986/87.



**Robert Nixon,
Minister,
January, 1988.**



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Minister's Message

A commitment to sensible and effective regulation was made by the Ministry of Financial Institutions during the first year of its existence.

To ensure this, we are re-regulating financial institutions to give all participants the opportunity to compete in both the domestic and international arenas of finance.

In addition, we respond to current concerns by developing innovative solutions to the liability insurance crisis and appointing task forces to make recommendations on no-fault auto insurance and indexing pension benefits.

Plans to open up the Ontario security business and the new legislation for loan and trust companies are among the year's initiatives that demonstrate our desire to reinforce the stability of our financial institutions, while providing room for innovation and growth.

I would like to thank the many business and consumer groups whose participation in the policy process contributed to our accomplishments.

And, I would also like to congratulate the hard-working staff at our ministry, the Ontario Securities Commission and the Pension Commission of Ontario for making the first year of the Ministry of Financial Institutions so productive.



Robert Nixon



Deputy Minister's Message

With nine major bills being ushered through the legislature and a flurry of activity, it's hard to believe that the Ministry of Financial Institutions is only one year old.

Since its creation as a separate entity from the Ministry of Consumer and Commercial Relations on April 1, 1986, the 450 employees of the ministry and commissions have demonstrated enormous enthusiasm and energy. They are to be congratulated for making possible important reforms in the regulation of the financial institutions and services that come under provincial jurisdiction.

The co-operation and co-ordination of the divisions responsible for deposit institutions and insurance, along with the Ontario Securities Commission and the Pension Commission of Ontario, have created our effective working team.

It's been a busy, often hectic year, one in which we demonstrated that a small ministry can carry a big load with professionalism and dedication.

The signature of Bryan Davies, written in black ink. It consists of stylized, flowing letters that appear to begin with "B" and end with "Davies".

Bryan Davies

Deposit Institutions Division

Protecting consumer deposits
while promoting a flexible
financial marketplace

Credit Unions and Co-operatives Services

Continuing efforts to promote the economic well-being of Ontario's credit union/caisse populaire system inspired the bilingual publication in August of the 'Program for Change' discussion paper. CU/CPs represent combined assets of \$7.9 billion, an increase of almost a billion dollars over last year.

The paper was followed by a six-month consultative process involving regional meetings in North Bay, Sudbury, Ottawa, Windsor, St. Catharines, Toronto, Sault Ste. Marie, Thunder Bay, Kapuskasing and Kenora. These discussions attracted more than 1,000 industry representatives and drew more than 1,200 letters to the branch and 300 formal submissions, containing valuable comment from both the industry and the public.

Modifications to the program, made public in late March, came as a direct result of this input. Those sections not requiring legislative amendments were implemented immediately.

These efforts to improve and standardize the conduct of business were enhanced through the branch's new computer system. Originally installed in 1985, the system is now fully operational, allowing the branch on-line communications with the Ontario Share and Deposit Insurance Corporation.

The system facilitates monitoring of institutions, to check for compliance with regulatory requirements. It is also being used to develop financial and business standards for credit unions and caisses populaires.

Consultation took place during the year with representatives of worker, farm and housing co-operatives and ministries serving these groups. Draft amendments to legislation were reviewed during the year based on submissions resulting from these discussions.

Fast facts:

Ontario credit union and caisse populaire members:	1.8 million
Credit unions and caisses populaires:	827
Co-operatives established during the year:	59
Ontario co-operatives operating:	922
Assets represented by the industry:	\$7.9 billion
Co-operative assets (estimated):	\$540 million

Loan and Trust

Improved protection of consumer depositors was the chief aim of the Loan and Trust Corporations Act, which received second reading in November. As well as promoting public confidence in the industry, the bill contained provisions to expand investment powers for the corporations involved and modernize the rules governing them.

One section, for example, requires at least half of the directors of a loan or trust firm to be "outside directors," defined as those who are neither company officers nor holders of more than five per cent of the company's voting shares. The new legislation also clarifies, for the first time, that its provisions do not apply to bank mortgage loan subsidiaries.

The first commercial bill available in both English and French, the Loan and Trust Corporations Act was in clause-by-clause review at year-end. Proclamation is expected in the 1987/88 session.



The financial operations of companies regulated by the Credit Unions and Co-operatives Branch are monitored in the financial and business standards section. Nardeo Sham, left, and Brian Smith are among the staff charged with this task.

The extensive review of loan and trust legislation was precipitated by the same circumstances that, in 1983, led to the takeover of three trust companies by the registrar of loan and trust corporations. Two of these firms remain under his stewardship, although their day-to-day operations continue to decline and their physical assets are being liquidated.

Technological advances in the branch allowed for the enhancement of a data base which provides a monitoring system for the industry.

Legal proceedings were initiated promptly against firms that failed to file financial statements. Proceedings were stayed, in one case, however, when notification of impending legal action led to immediate compliance by the firm.

Branch representatives continued a co-operative effort with their federal and provincial counterparts to promote uniform supervisory, regulatory and reporting practices in financial institutions across the country.

Fast facts:

Loan and trust firms monitored and regulated by the branch:	88
Including:	
Provincially incorporated:	26
Incorporated elsewhere:	62

Serving the public

Operations of the Deposit Institutions Division focus on protecting consumer deposits and promoting a flexible investment marketplace in which financial institutions can thrive.

The division regulates and registers loan and trust companies, credit unions and caisses populaires. It also incorporates co-operative institutions.

The daily operations and corporate structure of the institutions are monitored by the division to ensure compliance with regulations and guidelines.

These regulations and guidelines are carefully aligned to control without unduly restricting the institutions, in order that they will be in a position to maintain profitable operations, stability and serve Ontario residents.

Acts administered:

Co-operative Corporations Act
Credit Unions and Caisses Populaires Act
Guarantee Companies Securities Act
Loan and Trust Corporations Act
Ontario Credit Union League Act

Superintendent of Deposit Institutions:

J.J. Wilbee

Director of Loan and Trust Operations:

D.J. Reid

Director of Credit Unions and Co-operatives Services:

T.T. Robins

Insurance Division

Making consumer coverage available from financially viable insurers

Efforts initiated last year to address cost and capacity problems in the Ontario insurance industry began to reach fruition through the year.

The Ontario Task Force on Insurance tabled its report in May, identifying issues and presenting proposed areas for consideration. One important issue identified by the task force, auto insurance, is now being reviewed in detail by an inquiry lead by Mr. Justice Coulter A. Osborne.

The Market Assistance Program, established last year to deal with liability coverage difficulties, responded to more than 4,500 calls from non-profit organizations and small business. The program assisted callers by providing information and arranging insurance coverage through Ontario Liability Insurance (OLI). These 38 insurers were organized by the division to provide liability coverage to those unsuccessful in arranging insurance through the conventional marketplace.

Several changes to legislation and regulation were also completed during the year. An amendment to the Insurance Act established the framework for a general insurance compensation fund. Another, extending the investment powers of farm mutual insurance companies and enabling them to establish subsidiaries, received royal assent in February. Regulations were passed to ensure life insurance agents were committed to consumer service by requiring them to make life insurance a full-time, rather than part-time, career.

Legislation and regulations were enacted to regulate the Canadian Insurance Exchange and its member syndicates and brokers. The first three reciprocal insurance exchanges established in the province were licensed, effective Jan. 1, 1987, providing insurance for school boards and lawyers. Reciprocals, an alternative to the form of insurance purchased in the conventional marketplace, have been fostered and publicized by the division.

Co-operation continues with other ministries to resolve insurance difficulties being experienced by their client groups.

The year ended with a delegation from the ministry travelling to Europe to encourage participation in the Ontario financial and insurance markets and for discussions with representatives of the European financial communities. Among those accompanying the minister on this mission were John Weir, superintendent of insurance; the Honourable Mr. Justice Coulter A. Osborne, chairman of the Inquiry into Motor Vehicle Accident Compensation in Ontario; John Laskin, commission counsel; and Edward Belton, president of the Canadian Insurance Exchange.

Fast facts:

Companies licensed to write insurance in Ontario:	560
Rate filings reviewed under Compulsory Automobile Insurance Act:	3
Rate filings reviewed under the Prepaid Hospital and Medical Services Act:	5
Hearings regarding corporate licences:	2
Hearings regarding agent licences:	7



Cathy Ball manages an administrative staff of six in the Office of the Superintendent of Insurance, including Paul Simms, clerk in the office's central records unit.

Serving the public

Because most residents of Ontario carry insurance in some form, whether it is home contents, automobile or liability insurance, the decisions made in the Office of the Superintendent of Insurance touch the lives of almost everyone in the province.

The challenge faced by the office is to ensure that coverage is available to consumers who require it, and that insurers are financially capable of paying on claims of policy holders and others. This is achieved through monitoring the operations of insurers and responding to consumer complaints. Action is taken to develop innovative solutions to problems in the insurance marketplace.

Acts administered:

Canadian Insurance Exchange Act
Compulsory Automobile Insurance Act
Guarantee Companies Securities Act
Insurance Act
Investment Controls Act
Marine Insurance Act
Prepaid Hospital and Medical Services Act
Registered Insurance Brokers Act

Superintendent of Insurance:

John Weir

Director of Insurance Operations:

Edward J. Wells

Motor Vehicle Accident Claims Fund:

Just over \$4.5 million was paid out to motor-vehicle-accident victims during the year by the Motor Vehicle Accident Claims Fund. New claims registered during the year with the fund totalled 769. At year-end, 1,094 claims were outstanding with a total estimated liability of \$7 million, or an average of almost \$6,400 per claim.

The year's operating surplus of \$5.9 million, added to the previous surplus, created a fund balance of \$10.9 million. This surplus is due in part to increased collection efforts during the year, along with interest earned on the balance and cyclical fluctuation of driver's licence fees.

Serving the public

The Motor Vehicle Accident Claims Fund compensates motor-vehicle-accident victims in Ontario who are not covered by insurance. Although compulsory automobile insurance was introduced in 1979, the fund remains the only recourse to victims of accidents caused by uninsured or unidentified vehicles where the victims are not otherwise covered by insurance. It continues to compensate victims of accidents that occurred before the introduction of compulsory insurance as well, but these claims decrease in number annually.

Acts administered:

Motor Vehicle Accident Claims Act

Director:

Harold Sookdeo (Acting)

Independent Agencies

In addition to the commissions reporting directly to the minister, the organizations listed below operate independently under ministry legislation.

■ The Facility Association is an insurance industry organization which maintains a residual market insurance pool to provide automobile insurance for drivers having difficulty obtaining insurance, usually because of high-risk exposure.

It reports through the Superintendent of Insurance under the Compulsory Automobile Insurance Act. The superintendent prepares an annual report on its operations for the legislature.

■ The Ontario Share and Deposit Insurance Corporation is a self-supporting Ontario Crown corporation with the primary role of providing deposit insurance for credit unions and caisses populaires. It publishes its own annual report.

■ The Registered Insurance Brokers of Ontario (RIBO) registers and regulates general insurance brokers. It does not include life-health insurance.

RIBO reports through the Superintendent of Insurance under the Registered Insurance Brokers Act. The superintendent makes an annual examination and reports on its operations for the legislature.

Administration & Policy

Providing support throughout the ministry

Finance and Administration

■ Office of the Executive Co-ordinator

In this first year of operation of the ministry, the Executive Co-ordinator's office was established as a vital conduit for various support services.

These services, provided by the Ministry of Consumer and Commercial Relations, include accounting, auditing, human resources and communications.

The Executive Co-ordinator, along with a small administrative staff, funnels requests from program areas for these services to the appropriate office and ensures services are provided as required. The office also maintains a general overview of administrative aspects of the ministry to ensure compliance with ministry policy and maintenance of administrative standards.

■ Investigations Branch

This branch offers a different kind of support to the divisions of the ministry. Special constables investigate suspicious conduct among institutions registered with the ministry, loan and trust firms, credit unions, co-operatives and insurance companies. In reporting on these operations investigators may suggest remedial action, corrective procedures or prosecution in cases where ministry acts have been violated.

During the past year, investigations were conducted in concert with various police forces across Ontario. These related to apparent violations under the Insurance, Canadian Insurance Exchange, Credit Unions and Caisses Populaires, Loan and Trust Corporations, Pension Benefits and Mortgage Brokers acts.

Fast facts:

Investigations conducted:	139
Regulatory hearings under the Insurance Act:	7
Investigations related to licence applications:	5,320

Serving the ministry

Through its two offices, the division provides administrative and investigative support to the Deposit Institutions and Insurance divisions of the ministry. The need for serving these common needs through the division is intended to promote efficient delivery of service and eliminate duplication of effort and expertise.

Executive Co-ordinator:

Dan Rivet

Director of Investigations:

Phil Yakubovich

Legal Services

During the year, the following ministry legislation received royal assent:

■ **Canadian Insurance Exchange Act, 1986**, which sets out the rules, procedures, structure and operations of the Canadian Insurance Exchange, a non-profit corporation to centrally place and underwrite insurance and reinsurance by its members;

■ **Insurance Amendment Act, 1986** (Farm Mutuals), to increase investment powers of farm mutual insurance companies and permit them to invest in wholly owned joint-stock insurance companies;

■ **Securities Amendment Act, 1986**, which includes a regulatory framework for clearing agencies, new provisions regarding take-over and issuer bids, and new rules and penalties for violations related to insider trading;

■ **Insurance Amendment Act, 1986** (General Compensation Plan), which creates a compensation plan for policy-holders and claimants when property and casualty insurance companies become insolvent.

In addition, two acts replacing existing legislation were given first and second reading, before being carried over on the order paper for the following session:

■ **Loan and Trust Corporations Act, 1986**, which provides improved regulation in such areas as depositor protection, managerial responsibilities, conflict of interest, and self-dealing;

■ **Pension Benefits Act, 1986**, which implements the pension reform consensus developed over the last few years by government representatives across Canada and makes pension benefits conform with the Charter of Rights and Freedoms.

The Ministry of Financial Institutions Act, 1986, which provides the legislative framework for the ministry to fulfil its mandate, was given first reading during the year.

New or amending regulations were also passed under the following acts:

- Canadian Insurance Exchange Act
- Commodity Futures Act
- Co-operative Corporations Act
- Credit Unions and Caisses Populaires Act
- Insurance Act
- Investment Contracts Act
- Loan and Trust Corporations Act
- Mortgage Brokers Act
- Pension Benefits Act
- Securities Act



Marie Rounding, director of the Legal Services Branch, talks computers with Bob Rybak, assistant manager of systems user support, in Finance and Administration's computer centre.

Serving the ministry

Preparing new legislation and amendments to statutes and regulations for introduction in the legislature is a major responsibility of this branch. It also provides consultation and opinions on related ministry business. On behalf of the ministry, branch representatives also conduct prosecutions, appear at administrative hearings and monitor litigation.

Director:

Colleen Parrish (Acting)

Note:

When the ministry was restructured in November, 1986, the existing Policy, Planning and Legal Services Branch was divided into two separate offices, as indicated here. A director of Legal Services was not appointed until after year-end.

Policy and Planning Branch

During the year, the Policy and Planning Branch contributed research and analysis on many initiatives undertaken by the ministry, including:

- passing the new Loan and Trust Corporations Act and the Pension Benefits Act;
- revisions to the Insurance Act to create a general compensation fund and to broaden the investment powers of farm mutual insurance companies;
- establishing an independent task force to examine the tort system for compensation for injury by automobile accident and the consequences of implementing a no-fault automobile accident insurance scheme;
- establishing an external working group to determine an appropriate formula and phase-in procedures for inflation protection in private pension plans;
- the Program for Change, a framework to rehabilitate Ontario's credit union and caisse populaire movement.

Acting on behalf of the ministry, the branch also takes part in many interministerial committees and liaises with other provinces and the federal government on issues of national scope. During the year the branch blended the implications of such issues as pension reform, free trade, international banking centres, tax reform and matters related to the re-regulation of financial institutions.

Other issues under study with the branch at year-end included automobile insurance and the special problems of liability insurance for specific groups such as social service programs and agencies funded by the Ontario government.

Serving the ministry

The Policy and Planning Branch manages the development and co-ordination of policy which can have a global impact on financial institutions. The branch reviews policies to ensure they meet the goals and objectives of the ministry. Advice and analysis of topical issues are provided to the deputy and senior management of the ministry.

In order to provide this analysis and co-ordination, the branch consults with and gathers input from other branches within the ministry and the Securities and Pension commissions. The branch also consults with regulated industries, other governments, the academic community and the public.

Director:

Colleen Parrish

Ontario Securities Commission

Promoting fair play
in the financial marketplace

The Ontario Securities Commission's mandate to protect investors while promoting an active marketplace made international headlines during the year.

To ensure Ontario's securities industry is a viable competitor in the booming international market, the commission developed a framework for a new regulatory system. The result was heralded as Ontario's "Big Bang" – the name given to the culmination of massive regulatory reform in London, England, last year.

Based on input from all sectors, the new rules will open doors to increased foreign participation in Ontario's securities industry, when they become effective June 30, 1987. Ownership of Ontario securities dealers by Canadian financial institutions, such as banks, insurance firms and trust companies, and non-financial investors will also be allowed.

Legislation for most of these historic moves will be in place early in the new fiscal year, ensuring continued protection for investors.

In the midst of these and other preparations for international expansion, Ontario's commitment to promoting investor confidence was underlined on the home front by the OSC's focus on such issues as insider trading and take-over bids. A high-profile court case involving Canadian Tire Corporation Ltd. was particularly important. To prevent an abuse of shareholder rights, the OSC stopped a proposed sale of the firm by the controlling shareholders at \$160 per share while no bid was being made for the minority's shares. The commission's ruling was upheld on appeal at two judicial levels and was greeted as a timely reinforcement of Ontario's emphasis on fair dealings.

A number of other hearings and investigations handled by the OSC involved criminal charges related to securities fraud and improper trading practices. Trading in unlisted securities got a major boost this year with the inception of the Canadian Over-the-Counter Automated Trading System (COATS). Providing more up-to-date information about trading in over-the-counter (OTC) stocks, the computer-based system is run with help from the Toronto Stock Exchange, which was also involved in development of the project. The system is designed to make OTC stocks more visible and liquid, a particular benefit for junior mining enterprises in their quest for funding.

Public hearings were held as the commission explored new policy options, promoting further improvements in financing opportunities for junior resource companies.

The OSC also addressed such issues as uses of brokerage commissions, disclosure of executive compensation, defensive tactics on take-over bids, and timely filing of financial statements. A task force was formed to study methods of improving corporate communications with shareholders whose securities are not held in their own names, and to advise a national system to re-enfranchise such shareholders.



Syl Forestier co-ordinates the many word processing functions that go into producing the 200-page OSC Bulletin, distributed each week throughout the Canadian investment community.

Serving the public

Responsible for regulating the province's securities industry, the OSC is charged with promoting investor confidence and involvement in the capital marketplace.

These goals are achieved through the commission's statutes, supported by such self-regulatory organizations as the Toronto Stock Exchange, Toronto Futures Exchange and Investment Dealers Association of Canada. The commission also evaluates and approves new securities offered to the public, investigates regulatory infractions, and oversees the activities of the Toronto exchanges.

An appointed tribunal rules on specific issues, conflicts and market events and formulates policies and proposals for new regulations.

Acts administered:

Commodity Futures Act
Deposits Regulation Act
Securities Act
Toronto Futures Exchange Act
Toronto Stock Exchange Act

Commission Chairman:

Stanley M. Beck

Vice-Chairman:

Charles Salter

Director:

Ermanno Pascutto

Deputy Director of Registration:

C.E. Goad

Deputy Director of Enforcement:

John F. Leybourne

Deputy Director of Corporate Finance:

Robert E. Steen

Deputy Director of Commodity Futures:

David D. Walters

The Pension Commission of Ontario

Promoting improvement
in employee-sponsored
pension plans

Significant legal decisions in 1986 concerning the withdrawal of surplus pension funds fuelled an important debate in the union movement, the media and the provincial legislature. This resurrected an equally important debate on inflation protection for pensions. Both issues combined to create a year of unprecedented change and challenge for the Pension Commission of Ontario.

The debates culminated on Dec. 9, when the government's commitment to indexing pensions was reaffirmed by appointing a task force to determine the most appropriate formula and phase-in procedures for inflation protection. The three-member task force is expected to report in December, 1987.

When the task force was announced, an immediate moratorium on pension surplus withdrawals was also imposed. It will remain in effect until the task force report is complete and a mandatory inflation protection program is in place.

During the eight months prior to the moratorium, 24 applications for refunds of surplus from ongoing plans were reviewed by the commission, approving the withdrawal of \$42,325,000. As well, 67 plans were wound up and refunds of surpluses totalling \$38,666,000 were approved.

The Minister's announcements helped clear the way for important pension reforms which had already received "majority consensus" across all Canadian jurisdictions. In December, the Pension Benefits Act was introduced in the legislature.

Under the proposed legislation, full-time employees may join their pension plan after two years of service, regardless of their age. Part-time employees may join after two years of service if they have either earned at least 35 per cent of the Canada Pension Plan's "years maximum pensionable earnings" or have 700 hours of employment in two consecutive years. Benefits accruing after the effective date of the legislation will be vested and locked-in after two years' membership in a pension plan, irrespective of age. The proposed legislation also requires employers to fund, at termination, retirement or death, at least one-half of a member's benefit accrued after the effective date of the legislation. Provision has also been made for prescribed rates of interest on employee contributions on his or her termination, to ensure plan members benefit from investment earnings.

At year-end the proposed act was with the Standing Committee on General Government for review.

The additional workload placed on the commission by pension reform created a need for a full-time chairman. On Sept. 26, John P. Kruger was appointed to the position.

Persuant to his review of the commission's activities and its future needs, a significant restructuring of the commission took place. Two new divisions were created, the existing pension review structure was strengthened, and new computer systems were introduced.

Regulating approximately 60 per cent of all pension plans in Canada, Ontario plays an important leadership role in pension reform. Restructuring the commission enabled it to be a strong leader – dynamic, accurate and equipped to face the realities of the future.

Serving the public

Established in 1965 to promote the establishment, extension and improvement of employee-sponsored pension plans in the province, the Pension Commission of Ontario today monitors some 11,000 plans covering approximately 1.8 million employees. It is estimated the commission monitors assets in excess of \$80 billion, including both private and public sector pension plans.

The commission also administers the Pension Benefits Guarantee Fund, established in 1980 to protect participants of pension plans wound up with insufficient assets to cover their obligations. Ontario is the only Canadian province with such a fund.

Act administered:

Pension Benefits Act

Commission Chairman:

John P. Kruger

Superintendent of Pensions:

Robert Hawkes

Pension Benefits Guarantee Fund

(Reconciliation between March 31, 1986
audited financial statements and
1986 published report)

	(\$000s)
Pension Benefits Guarantee Fund Assets as of April, 1986	\$6,204
Credits	
Employer premiums	\$1,384
Investment earnings	\$ 691
Debits	
Claims paid	\$ 225
Cost of fund management	\$ 30
Balance at March 31, 1987	\$8,024

Legislation Administered

The following is a list of acts administered by this ministry.

Canadian Insurance Exchange Act, 1986

Central Trust Company Act, 1983

Commodity Futures Act

Compulsory Automobile Insurance Act

Co-operative Corporations Act

Credit Unions & Caisses Populaires Act

Crown Trust Company Act, 1983

Deposits Regulation Act

Guarantee Companies Securities Act

Insurance Act

Investment Contracts Act

Loan and Trust Corporations Act

Marine Insurance Act

Mortgage Brokers Act

Motor Vehicle Accident Claims Act

Ontario Credit Union League Limited Act, 1972

(unconsolidated and unrepealed)

Ontario Deposit Insurance Corporations Act

Pension Benefits Act

Prepaid Hospital and Medical Services Act

Registered Insurance Brokers Act

Securities Act

Toronto Futures Exchange Act, 1983

Toronto Stock Exchange Act, 1982

Financial Statement

Revenues

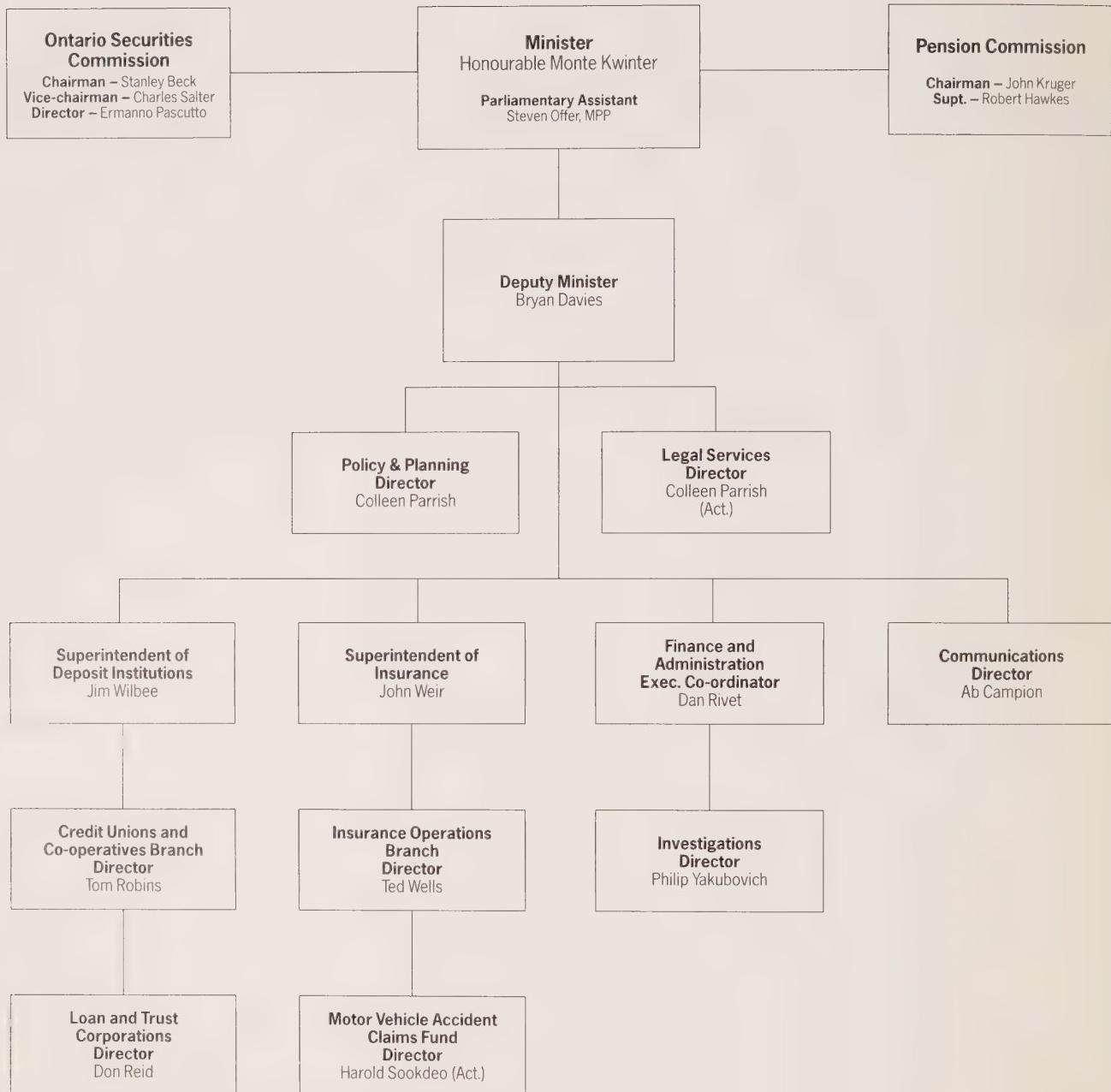
	1986-87		1985-86	
	\$	%	\$	%
Ministry Administration	460,650	1.5	-	-
Financial Standards				
Financial Institutions	13,859,507	45.5	17,180,751	56.0
Securities Commission	6,391,714	21.0	5,555,928	18.2
MVAC	-	-	-	-
Pension Plans	2,404,869	7.9	1,537,954	5.0
Sub-Total	23,116,740	75.9	24,274,633	79.2
Payment from Motor Vehicle Accident Claims Fund	6,609,444	21.7	6,198,702	20.2
Non-budgetary Expenditure	726,511	2.4	179,304	0.6
GRAND TOTAL MFI EXPENDITURES	\$30,452,695	100.0	\$30,652,639	100.0

Financial Statement

Expenditures

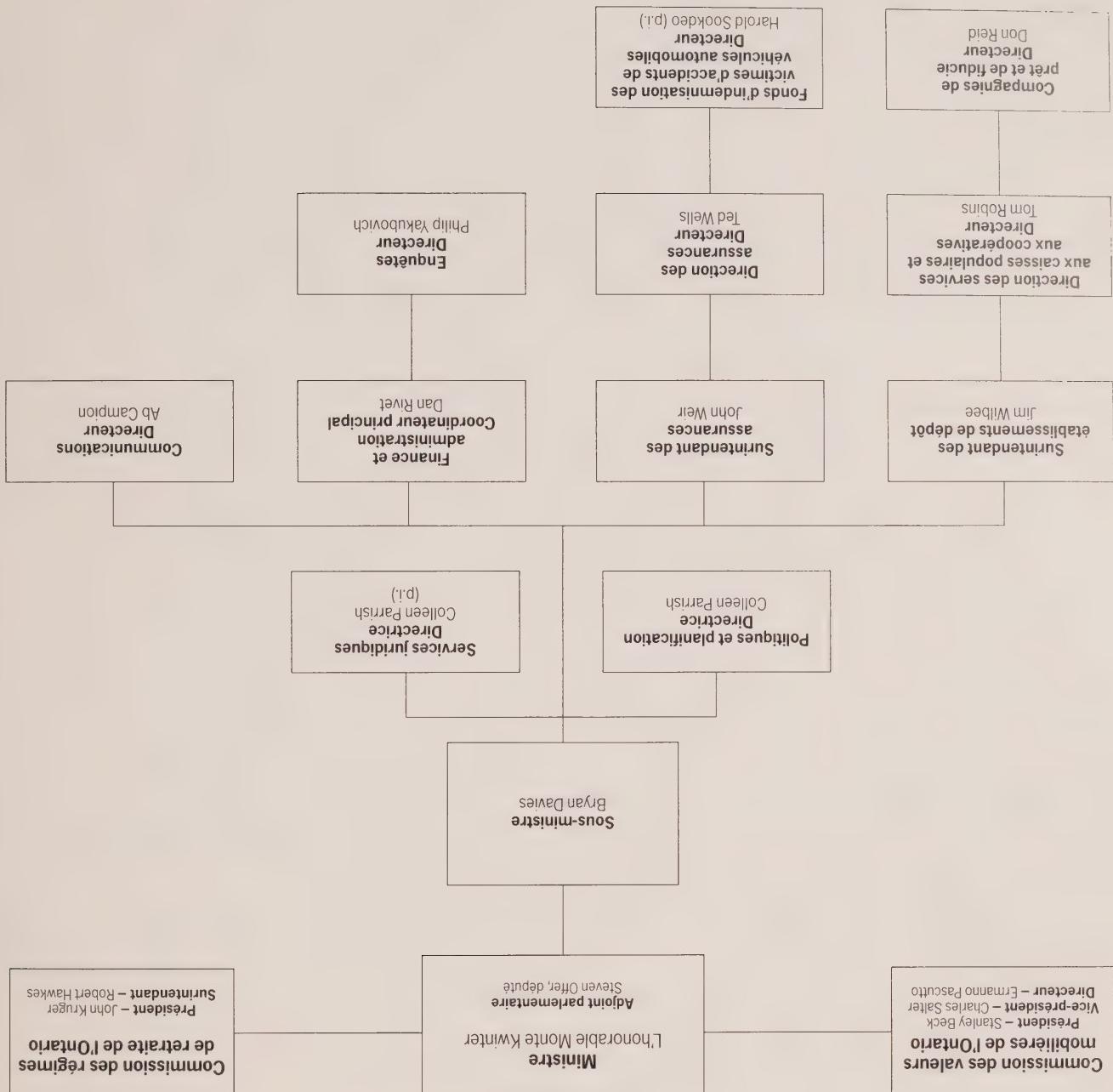
	1986-87		1985-86	
	\$	%	\$	%
Ministry Administration	1,202,597	4.2	43,681	0.3
Financial Standards				
Financial Institutions	4,958,655	17.8	3,697,152	22.6
Securities Commission	7,666,412	27.5	2,229,359	13.7
MVAC	12,464,662	44.7	9,688,345	59.3
Pension Plans	1,622,712	5.8	672,282	4.1
GRAND TOTAL MFI REVENUES	\$27,915,038	100.0	\$16,330,819	100.0

Organization of the Ministry



as of March 31, 1987

Au 31 mars 1987



Organigramme

Recettes

Etats financiers

	1986-87	1985-86	\$	%	1 202 597	4,2	43 681	0,3	Adминистration du ministère
Normes financières					4 958 655	17,8	3 697 152	22,6	Institutions financières
Commission des valeurs mobilières					7 666 412	27,5	2 229 359	13,7	FIVAVIA
FIVAVIA					12 464 662	44,7	9 688 345	59,3	Regimes de retraite
Regimes de retraite					1 622 712	5,8	672 282	4,1	TOTAL GÉNÉRAL, RECETTES DU MIE
					\$27 915 038	100,0	\$16 330 819	100,0	

Dépenses

Etats financiers

Admistration du ministère	\$	%	460 650	1,5	-	-	-	1986-87	1985-86
Normes financières									
Institutions financières	13 859 507	45,5	17 180 751	5 555 928	21,0	-	-		
FIVAWA	6 391 714	-	-	-	-	-	-		
Commission des valeurs mobilières									
Inst. financières	13 859 507	45,5	17 180 751	5 555 928	21,0	-	-		
Regimes de retraite	2 404 869	7,9	-	-	-	-	-		
Total partiel	23 116 740	75,9	24 274 633	79,2					
Debourses du Fonds d'indemnisation des victimes									
d'accidents de véhicules automobilés	6 699 444	21,7	726 511	2,4	21,7	6 198 702	17 930 4	20,2	0,6
Dépenses non inscrites au budget									
TOTAL GÉNÉRAL, DÉPENSES DU MIF	\$30 452 695	100,0	\$30 652 639	100,0					

Lois Appliquées

(non consolidée et non abrogée)

Ontario Credit Union League Limited Act, 1972

Loi sur la vente à terme de marchandises

Loi sur les valeurs mobilières

Loi sur la Société ontarienne d'assurance-dépôt

Loi sur les services hospitaliers et médicaux prépayés

Loi sur les régimes de retraite

Loi de 1983 sur les marchés à terme de la Bourse de Toronto

Loi sur l'inscription des courtiers d'assurance

Loi sur l'indemnisation des victimes d'accidents de véhicules automobiles

Loi sur les dépositaires d'argent

Loi sur les courtiers en hypothèques

Loi sur les coopératives

Loi sur les contrats de placement

Loi de 1983 sur la compagnie Crown Trust

Loi de 1983 sur la compagnie Central Trust

Loi sur les compagnies de cautionnement

Loi sur les caisses populaires et les crédits unis

Loi de 1982 sur la Bourse de Toronto

Loi sur les assurances et les assurances

Loi sur l'assurance maritime

Loi sur l'assurance-automobile obligatoire

Loi sur les assurances

Voici la liste des lois dont l'application relève du ministère.

Encourage l'amélioration des régimes de retraite financés par les employés

La Commission des régimes de retraite de l'Ontario

Président de la Commission :	John P Krueger
Loi sur les régimes de retraite	L
Suriméndant des régimes de retraite :	S
Fonds de garantie des prestations de retraite	(acccorde entre les états financiers au 31 mars 1986 et le rapport annuel de 1986)
Fonds de garantie des prestations de retraite	Fonds de garantie des prestations de retraite (000\$ \$)
Accès au 1er avril 1986	6 204 \$
Crédits	1 384 \$
Primes des employeurs	691 \$
Revenu des placements	1 384 \$
Débits	225 \$
Primes payées	30 \$
Frais d'administration du Fonds	8 024 \$
Solde au 31 mars 1987	L

Au service du public
Créée en 1965 pour favoriser la création, la croissance et l'amélioration des régimes de retraite financés par les employés dans la province, la Commission des régimes de retraite financés de l'Ontario réglementaire à l'heure actuelle gère quelque 11 000 régimes auxquels participent environ 1,8 million d'employés. On estime que l'actif total des régimes de retraite du secteur privé du secteur public qu'ils réglemente dépasse les 80 milliards de dollars.

La Commission administre également le Fonds de garantie des pensions de retraite, établi en 1980 pour protéger les employés dont les cotisations de retraite ont été annulées ou partiellement annulées par la suite. Au service du secteur public qu'il réglemente, le Fonds de garantie des pensions de retraite offre une protection supplémentaire aux employés qui ont été victimes de situations de retraite imprévues.

Les régimes de retraite financés par les employés couvrent leurs obligations en matière de retraite et offrent une sécurité financière supplémentaire au moyen de provisions supplémentaires pour la retraite. Les régimes de retraite financés par les employés sont administrés par la Commission des régimes de retraite financés de l'Ontario, qui a été créée en 1965 pour favoriser la création, la croissance et l'amélioration des régimes de retraite financés par les employés dans la province.

On a créé deux nouvelles divisions, raffermi la structure actuelle de l'étude des régimes de retraite et mis en place de nouveaux systèmes informatiques. L'objectif joue un important rôle de premier plan dans la réforme des pensions puisqu'elle réglemente environ 60 pour cent des régimes de retraite du Canada. Par sa restructuration, la Commission a pu montrer une image forte, dynamique et claire qui lui permet de faire face aux réelles défis de l'avenir.

Les déclarations faites par le ministre ont contribué à mettre en place des importantes réformes des pensions auxquelles tous les gouvernements au Canada avaient déjà donné leur accord unanime. En décembre, la Loi sur les régimes de retraite était présente à l'Assemblée législative.

En vertu du projet de loi, tout employé a plein temps peut participer au régime de retraite de son employeur après deux ans de service, quel que soit son âge. Un employé à temps partiel peut adhérer après deux ans de service s'il compte 700 heures d'emploi dans les deux années en cours de service. Il peut adhérer après deux ans de service s'il a au moins 35 pour cent des "gains maximums" ouvrant droit à pension "en vertu du Régime de pensions du Canada. Les prestations accumulées après la date d'entrée en vigueur de la loi seront acquises par les employés dans le régime après deux ans de participation, quelle soit l'âge du cotisation. Le projet de loi exige également des employeurs au moins 10% de leur revenus de placement dans la caisse de retraite.

À la fin de l'exercice, le projet de loi sera déposé pour étude au Comité permanent sur l'administration publique générale.

Les responsabilités supplémentaires imposées à la Commission par la réforme des pensions ont fait naître le besoin de nommer un président à plein temps. Le 26 septembre, on procéda à la nomination de John P. Krueger à ce poste.

A la suite de son étude des activités et des besoins futurs de la Commission, une restauration importante de la Commission a été faite.

Des décisions juridiques importantes en 1986 au sujet du retrait du Québec tout aussi importante que la protection des régimes de retraite contre l'assassinat. Ensemble, ces deux questions ont marqué pour la Commission d'enquête sur la protection sociale au sein du mouvement syndical, des médias et vive controverse au sein du mouvement syndical. Des fonds excédentaires des régimes de retraite ont suscité une législative provinciale et, du même coup, ont fait renaitre un débat tout aussi important que la protection des régimes de retraite contre l'assassinat. Ensemble, ces deux questions ont marqué pour la Commission d'enquête sur la protection sociale au sein du mouvement syndical, des médias et sans précédent.

Le point culminant des débats est survenu le 9 décembre lorsque le gouvernement s'est engagé à indexer les régimes de retraite en nommant un groupe de travail aquatique à donner le mandat d'établir la formule la plus appropriée de protection contre l'infiltration et le processus d'application graduelle. Composée de trois membres, ce groupe de travail doit établir une recommandation à la fin de l'année 1987.

Au moment où la nomination du groupe de travail a été annoncée, un moratoire immédiat était également imposé sur tous les retards, d'excéments des régimes de retraite. Ce moratoire demeure en vigueur tant que le groupe n'aura pas rendu son rapport et qu'un programme obligatoire de protection contre l'infiltration ne sera pas en place.

Au cours de la période de huit mois qui a précédé le moratoire, la Commission a étudié 24 demandes de remboursement d'excéments de régimes existants, pour un montant de 42 325 000 \$. Elle a aussi permis la liquidation de 67 régimes et le remboursement d'excéments spécifiques.

Lois dont l'application relève de la Commission :

Président de la Commission : Stanley M. Beck

Vice-président : Charles Salter

Directeur : Ermanno Pascutto

Sous-directeur de l'enregistrement : C.E. Good

Sous-directeur de l'application des règlements : John F. Leybourne

Sous-directeur du financement des entreprises : Robert E. Steen

Sous-directeur des ventes à terme de marchandises : David D. Wallers

Loi sur la vente à terme de marchandises
Loi sur les valeurs mobilières
Loi sur les marchés à terme de la Bourse de Toronto
Loi sur les dépositaires d'argent

Lois dont l'application relève de la Commission :

Colleen Parrish

Le service du ministre de la Planification s'occupe d'établir et de coordonner les politiques qui peuvent avoir une incidence globale sur les institutions financières. Elle étudie les politiques pour s'assurer qu'elles respectent les buts et les objectifs du ministère. Elle fournit également des conseils et analyses sur les questions d'actualité au sous-ministre ainsi qu'aux cadres supérieurs du ministère.

Pour mener à bien cette fonction d'analyse et de coordination, la direction consacrée aux autres directions du ministère ainsi que les représentants de la Commission des valeurs mobilières et de la Commission des régimes de retraite afin de recueillir leurs observations. La direction consacrée à l'application de la législation de gouvernement, les universités et le public.

D'autre part, les industries assujetties à la réglementation. La direction consacrée à l'application de la législation de gouvernement, les universités et le public.

Au service du mystère

- Adoption de la nouvelle Loi sur les compagnies de prêt et de fiducie
 - Les révisions apporées à la Loi sur les assurances en vue de créer un régime général d'indemnisation et d'établir les pouvoirs d'investissement des compagnies mutuelles d'assurance agricoles.
 - L'établissement d'un groupe de travail indépendant ayant pour mandat d'examiner le système délictuel d'indemnisation des victimes d'accidents d'automobiles ainsi que les conséquences de la mise en application d'un régime d'assurance-automobile sans égard à la responsabilité.
 - Déterminer une formule de l'infiltration des prestations de retraite privées.
 - Le Programme de changement, qui a pour but de retrabiller le mouvement des caisses populaires et des crédits unions de l'Ontario.
 - La Direction représente le ministre au sein de nombreux comités interministériels et elle assure la liaison avec les autres provinces et le gouvernement fédéral sur des questions d'envergure nationale. Au cours de l'exercice, la Direction s'est penchée sur les répercussions de diverses questions bancaires internationaux, la réforme fiscale et d'autres questions touchant la révision de la réglementation des institutions financières.
 - Parmi les autres questions examinées par la Direction à la fin de l'exercice, notons l'assurance-automobile et les problèmes particuliers d'assurance responsabilité civile pour des groupes spéciaux comme les entrepreneurs par le ministre, et des analyses à l'égard de nombreuses initiatives effectuées des recherches et des analyses à l'égard de nombreuses initiatives d'entreprises par le ministre, notamment:

Directive:

Direction des Politiques et de la Planification

Au moment de la restructuration du ministère en novembre 1986, on a divisé en deux bureaux distincts, comme il est indiqué ici, la Direction des politiques, de la Planification et des services juridiques. La nomination du directeur des Services juridiques n'a eu lieu qu'après la fin de l'année.

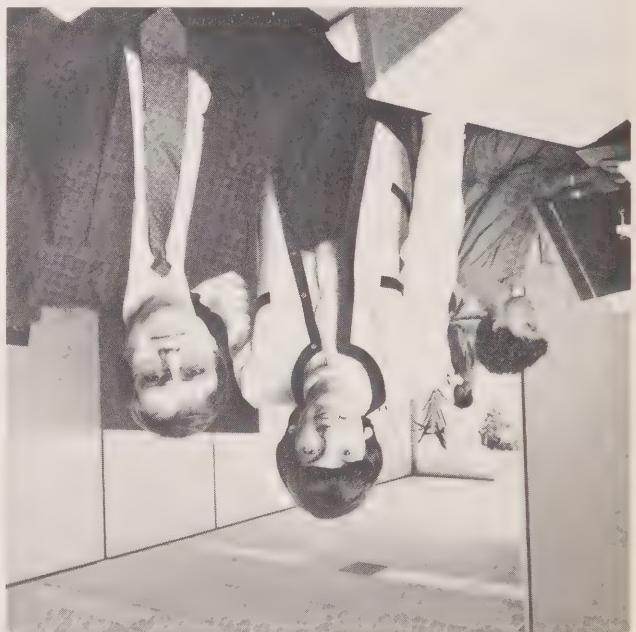
Note:

Colleen Parry (par intérieur)

AU SERVICE DU MINISTRE

L'une des grandes fonctions de cette Direction est d'élaborer de nouveaux textes de loi à présenter à l'Assemblée législative, ainsi que des amendements et des modifications aux résolutions ou ajouts aux règlements existants. Elle offre également des conseils d'ordre juridique sur toutes les autres affaires qui relèvent du ministre. Les représentants de la Direction, au nom du ministre, entreprennent des poursuites, témoignent à des audiences administratives et observent le déroulement des litiges.

Au service du ministère



La Division des assurances

Permet aux consommateurs de souscrire des assurances auprès d'assureurs solvables

Le Bureau a donc pour tâche de veiller à ce que les consommateurs puissent obtenir l'assurance dont ils ont besoin et que les assureurs utilisent leurs moyens financiers de régler les sinistres des détenteurs de police et autres bénéficiaires. Pour accomplir ce but, le Bureau surveille les opérations des assureurs et répond aux plaintes des clients. Il prend également des mesures afin que des solutions novatrices soient élaborées pour faire face aux problèmes qui surviennent sur le marché de l'assurance.

Etant donné que la plupart des résidents de l'Ontario ont soutenu une forme d'assurance, due en soi pour des biens mobiles, une automobile ou une responsabilité civile, les décisions prises par le Bureau surtient dans le secteur des assurances influent sur à peu près tout le monde dans

Étant donné que la plupart des résidents de l'Ontario ont souscrit une assurance maladie à la place

Au service du public

560	Satistiques brèves : Compagnies autorisées à établir des contrats d'assurance en Délitario : Barèmes de taux examinés aux termes de la Loi sur l'assurance-automobile obligatoire :
3	Barèmes de taux examinés aux termes de la Loi sur les services hospitaliers et médicaux prépayés :
5	Barèmes de taux examinés aux termes de la Loi sur les audiences sur la délivrance de permis à des compagnies :
2	Barèmes de taux examinés aux termes de la Loi sur les audiences sur la délivrance de permis à des agents :
7	

Cathy Ball dirige six préposées à l'administration dans le bureau du Supintendant des assurances. Paul Sims, commis de l'unité centrale d'entreposage des dossier, fait parti de l'équipe.



À la fin de l'année, une délégation du ministre s'est rendue en Europe pour promouvoir le marché des capitaux et des assurances de l'Ontario et pour entreprendre des discussions avec les représentants des communautés financières européennes. Au nombre des membres qui ont accompagné le ministre pendant cette mission, mentionnons John Weir, l'ingénierie sur l'indemnisation des victimes d'accidents d'automobiles en Ontario; John Laskin, conseiller juridique de la Commission; et Edward Belton, président de la Bourse canadienne des assurances.

Les trois premières bourses réciprocques d'assurance établissent dans la province à l'intention des avocats et des conseils scolaires ont reçu leur accreditation le 1er Janvier 1987. Ces bourses, qui représentent une solution de recherche au marché traditionnel de l'assurance, ont reçu l'appui de la Division qui en a fait la promotion.

La Division poursuit ses échanges avec d'autres ministères pour tenir de résoudre les problèmes d'assurance que connaissent leurs groupes de membres.

T.L. Robins

Directeur des services aux caisses populaires et coopératives:

D.J. Reid

Directeur des compagnies de prêt et de fiducie:

J.J. Wilbee

Suiviendam des établissements de dépôt:

Ontario Credit Union League Act

Loi sur les coopératives

Loi sur les compagnies de prêt et de fiducie

Loi sur les compagnies de cautionnement

Loi sur les caisses populaires et les crédits unis

Lois dont l'application relève de la Division:

Les résidents de l'Ontario.

Soutient en mesure d'exercer une activité stable et rentable pour bien servir

Impose un contrôle restrictif des établissements afin que ces derniers

Ces règlements et directives sont signifiés pour ne pas

mets pour garantir l'obéissance des règlements et directives.

Division surveille les opérations quotidiennes et la structure des établisse-

populaires. Elle s'occupe aussi de la constitution des coopératives. La

des compagnies de prêt et de fiducie ainsi que des crédits unis et caisses

La Division est chargée de la réglementation et de l'enregistrement

afin que les institutions financières puissent y prospérer.

dépôts des consommateurs d'assouplir le marché des investissements

La Division des établissements de dépôt a pour fonction de protéger les

Au service du public

Entreprises constituées ailleurs:

26 Entreprises constituées dans la province:

26 Comptant:

88 Comptes de la Direction:

Comptes de la Direction et de fiducie surveillés et réglementés

Statistiques brutes

Déclaration des institutions financières dans tout le pays.

Des méthodes de surveillance, de la réglementation et des pratiques de

leurs homologues fédéraux et provinciaux afin de promouvoir l'uniformité

Les représentants de la Direction ont poursuivi leur collaboration avec

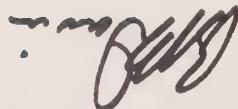
réception d'une mise en demeure, sauf prescrite par la loi.

Suites ont cependant été suspendues à l'égard d'une entreprise qui, sur

entreprises qui avaient omis de produire des états financiers. Ces pour-

On a institué promptement des procédures judiciaires contre les

Bryan M. Davies



manière consciente et professionnelle.
être en mesure de montrer qu'il pouvait accompagner un travail énorme de
charge à cette année chargée tout souvent trépidante, notre petit ministre a
des régimes de retraite de l'Ontario ont pu mettre sur pied une équipe
commissione des valeurs mobilières de l'Ontario et la Commission
chargees des établissements de dépôt et des assurances ainsi que la
Par un travail de coordination et de collaboration, les divisions
tutions financières et les services du ressortissement à la province.
procéder à des réformes importantes des règlements touchant les insti-
énergie et d'un enthousiasme débordants. Il faut les féliciter d'avoir pu
des institutions financières et de ses commissions ont fait preuve d'une
en deux entités distinctes le 1er avril 1986, les 450 employés du ministère
la Consommation et du Commerce
Depuis la division du ministre de
tions financières remonté à seulement
la création du ministère des Institu-
sentés à l'Assemblée législative, que
grands projets de loi qui ont été pré-
entreprises ainsi que les neut-
vit toute la gamme d'activités
l'est difficile de croire, lorsqu'on



Méssage du sous-ministre

Robert Nixon



de terminer son premier exercice d'une façon si productive.
Il faut l'arrêter au travail à permis au ministère des institutions financières
l'Ontario et ceux de la Commission des régimes de retraite de l'Ontario,
ainsi que les employés de la Commission des valeurs mobilières de
l'Ontario et le décret de notre ministre
Enfin, je désire féliciter les fonctionnaires de notre ministre
qui contribue aux réalisations du ministère.

Le tiers à remplir le grand nombre d'entreprises et de groupes de
consommateurs dont la participation à l'élaboration des politiques a
de fiducie.

Le tiers à remplir une nouvelle loi sur les compagnies de prêt et
mentionnons une grande ouverture du marché des valeurs mobilières
financières, tout en laissant place à la croissance et à l'innovation.

Pour témoigner de notre désir de raffiner la stabilité de nos institutions
Au nombre des initiatives que nous compsons prendre cette année
civils et en normant des groupes de travail pour faire des recommandations
sur l'assurance automobile sans égard à la responsabilité et sur l'indexa.

En outre, nous avons répondu aux préoccupations actuelles en appli-
quant des solutions novatrices à la crise de l'assurance responsabilité.

Ensuite, nous devons intervenir sur les marchés financiers au pays et à l'étranger:
Pour accompagner cette tâche, nous
procéderons à une révision de la rég-
lementation des institutions financières
en engage à mettre de l'avant une rég-
lementation de haut calibre.

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Au cours de sa première année
d'existence, le ministère des
institutions financières s'est

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Le ministre des Institutions financières à l'honneur de vous présenter
son rapport annuel pour l'exercice 1986-87.

Lieutenant-gouverneur de l'Ontario
L'honorable Lincoln Alexander

Le ministre,
Robert Nixon,
janyier 1988.



En page couverture : Les cadres du ministère des institutions financières rencontrent le sous-ministre chargue semainier pour diverses questions de planification. Cr-Contre : Don Reid, directeur de la Direction des compagnies de prêt et fiducie. Angle Stevens, adjointe administrative de la Division des finances et de l'administration. Robert Hawkes, surveillant de la Commission des régimes de retraite de l'Ontario et Harold Soodeo, qui dirige le Fonds d'indemnisation des victimes d'accidents de voiture automobilistes.



1987 Rapport Annuel



Institutions Financières
Ministère des